THE MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI ARUN SHOURIE): (a) and (b) MPLADS funds drawn in favour of the District Heads are released directly to the District Heads. Under the existing Guidelines, these funds are required to be kept only in the Nationalised Banks by opening separate account in respect of each MP. Besides, instructions have been issued by this Ministry that the implementing agencies down the line should keep the MPLADS funds in separate accounts only in Nationalised Banks.

Unspent balance of MPLADS amount

2734. SHRI S. RAMACHANDRAN PILLAI: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government continue to sanction funds under MPLAD Scheme based on the amounts sanctioned by the District Collectors, regardless of actual utilisation resulting thereby large unspent balances in contravention of the guidelines issued;

(b) whether it is also a fact that since inception of the scheme, utilisation of funds has been only 64.2 per cent;

(c) if so, the reasons therefor; and

(d) what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI ARUN SHOURIE): (a) Under MPLADS. works recommended by the Members of Parliament are to be implemented by the District Heads by' following the established procedure of the concerned State Governments. To ensure that the implementation does not suffer for want of funds, it has been decided to release funds, under the Scheme, on the basis of cost of works sanctioned. The next instalment of Rs. 1 crore is released when the unsanctioned balance in respect of a Lok Sabha Constituency or a Rajya Sabha MP falls below Rs. 50 lakhs.

(b) to (d) The percentage utilisation over release has been less than 70% since inception of the Scheme. The sanctions are normally issued by the concerned District Heads after receipt of funds. The utilisation occurs thereafter. There is, thus, always a time lag between the release of funds and its actual expenditure. Factors tike civil nature of works proposed by the MPs, limited working seasons in some States, operation of Model Code of Conduct during elections, incidence of a large number of works recommended under the Scheme, each involving small outlays, are also responsible for this level of utilisation. The Ministry of Statistics & Programme Implementation issues instructions, from time to time, to the District Heads for speedy implementation of the works, under the Scheme.